laws on the subject and check coming up of such unauthorized colonies/ constructions in future.

(c) to (e) The Commission has reported that it has not received all the information required from the concerned agencies and no findings have, therefore, been recorded by the Commission so far in the matter.

Interest on HUDCO loan

2138. SHRI RUMANDLA RAAMACHANDRAYYA: .
DR. ALLADI P. RAJKUMAR:

Will the Minister of URBAN DEVELOPMENT AND POVERTY ALLEVIATION be pleased to state:

(a) the interest rates charged on the loans by the Housing and Urban Development Corporation (HUDCO);

(b) whether the Andhra Pradesh Government has requested to reduce the interest rates at par with the nationalized commercial banks: and

(c) if so, the action taken thereon?

THE MINISTER OF STATE OF THE MINISTRY OF URBAN DEVELOPMENT AND POVERTY ALLEVIATION (SHRI BANDARU DATTATRAYA): (a) Details of interest rates charged by Housing & Urban Development Corporation Ltd. (HUDCO) on various loans post revision of interest rates on 18.11.2003 is given in the Statement enclosed. *{See* below).

(b) No formal request has been received from the Government of Andhra Pradesh. However, during the review meetings with the State Government the issue had been raised by the Government of Andhra Pradesh.

(c) Housing & Urban Development Corporation Ltd. (HUDCO) has provision for reseting of loans for non-defaulting agencies as per applicable financing pattern on payment of applicable resetting chages and has received request from the following agencies for resetting of their loans:-

1. Andhra Pradesh State Housing Corporation
2. Andhra Pradesh Housing Board.

3. Andhra Pradesh State Police Housing Corporation Ltd.
4. Andhra Pradesh Urban Finance & Infrastructure Development Ltd.
5. Hyderabad Metropolitan Water Supply & Sewerage Board.
6. Andhra Pradesh Industrial Infrastructure Corporation.
7. Andhra Pradesh Health & Medical Housing and Infrastructure Development Corporation.
8. Sports Authority of Andhra Pradesh.
9. Vijayawada Municipal Corporation.

Statement

Details of interest rates charged by HUDCO

Option A-Floating rate of Interest

Financing Pattern

A.	Base Rate (BR) (Base Rate will remain in force till further revision is made)		8.5% p.a.		
B.	All housing and Infrastructure Project loans including Take-out Finance except HUDCO NIWAS	Extent of Finance Upto(%)	Net interest rate (%) p.a. above base rate Upto 5 years	Upto 10 years	Upto 15 years
1.	EWS Housing & Action Plan	As per guidelines	0.50 lower than BR		
2.	Scheme by Public Agencies/ NGOs		BR	BR	BR
3.	Direct borrowing by Govt. and Police Organisation	100			
4.	Public Government Agencies		BR	0.25	0.50
	Private Agencies/Co-operative Agencies	85			
			1.00	1.50	2.00
		70			

Notes: Normally Base Rate shall be revised once in a year. However, in the event of change in the interest rate of at least 1%, the revision in base rate can be twice every year.

Option B—Fixed rate of Interest®

Flinancing Pattern

A.	All housing and Infrastructure Projects Loans including Take Out Finance except HUDCO NIWAS	Extent of finance Upto(%)	Net interest rate (%) p.a. Upto 5 years	Upto 10 Years	Upto 15 Years
1.	EWS housing & Action Plan Schemes by Public Agencies/NGOs	As per guidelines	8.50	8.50	8.50
2.	Direct borrowing by Govt. and Police Organisation	100	9.00	9.00	9.00
3.	Public Government Agencies	85	9.00	9.25	9.50
4.	Private Agencies/co-operative Agencies	70	10.00	10.50	11.00

Notes: @ HUDCO will have the option to revise interest on all schemes (including existing schemes) at an interval of 5 years. However, in respect of loans where resetting in interest rate has already been approved, the period of five years shall be from the date of resetting.

Sub. Revision in interest rate for loans to Resident Indian and Non-resident Indian under Fixed and Floating rate scheme, bulk Loan Schemes, fees for loans to Resident Indians and other operational norms of HUDCO NIWAS-HN-OM-08-2003 I. Interest Rates:-A. Loans to Resident Indians under Fixed Rate Scheme:-(Effective 18,11.2003)

Purpose of Loan	Existing ROI	Revised ROI*
for construction Purchase Composite loan Purchase of Plot Extension/Improvement Registration of Existing House.	9.50/9.75/10.00%	8.25/8.50/8.75%

Purpose of Loan	Existing ROI	Revised ROI*
Loan to Professional for non residential premises	11.00% (upto 10 years)	9.75% (upto 10 years)
Loan Against Residential Property	11.00% (upto 5 years)	9.75% (upto 10 years)

1. *First Figure is for 1-5 years, second figure is for 6-15 years and third figure is for 16-25 years.
2. Existing benefit of reduction in interest rates for certain categories of individuals under empowering mechanism would stand withdrawn.

B. Loans to resident Indians under Floating rate scheme:

(Effective 18.11.2003 to 31.3.2004)

Purpose of Loan	Existing ROI	Revised ROI*
for construction Purchase Composite loan Purchase of Plot Extension/Improvement Registration of Existing House.	9.50%	8.25% (upto 25 years)

*Revised rates will be applicable to new loans sanctioned after revision including loans sanctioned earlier but where agreement has not been executed before 18.11.2003. However, six monthly adjustments in interest rates in respect of existing as well as new loans will be made effective from 01.4.2004 for which new rates shall be notified in March, 2004.

C. Loans to non-resident Indian Fixed Rate Scheme:

(Effective 18.11.2003)

Purpose of Loan	Existing ROI	Revised ROI*
Construction Purchase Composite loan Purchase of Plot Extension/Improvement	9.50/10.00%	8.25/8.75%

*First Figure is for 1-5 years and second figure is fpr 6-10 years.

D. Lonas to non-resident Indian under Floating Rate Scheme:

(Effective from 18.11.2003 TO 31.3.2004)

Purpose of Loan	Existing ROI	Revised ROI*
Cconstruction Purchase Composite loan Purchase of Plot Extension/Improvement	9.50% (upto 25 years)	8.25% (upto 10 year)

*Revised rates will be applicable to new loans sanctioned after revision including loans sanctioned earlier but where agreement has not been executed before 18.11.2003. However, six monthly adjustments in interest rates in respect of existing as well as new loans will be made effective from 01.4.2004 for which new rates shall be notified in March, 2004.

E. Bulk Loans Scheme (Fixed Rate of Interest):—

(Effective 18.11.2003)

(a) Bulk Loans Scheme for State Govts./Para-Statals of the State Govts./Profit making PSUs:

Existing ROI	Revised ROI*	Repayment period (Years)
9.50%	8.25%	Upto 5
9.75%	8.50%	6 to 10
10.00	8.75%	11 to15

* Existing benefit of reduction in interst rates under empowering mechanism would stand withdrawn. However, processing and administrative fee under empowering mechanism would be 0.15% for Bulk Loan to State Govts./Para-Statals of the States Govt./ Profit Making PSUs.

(b) Bulk Loan scheme for other HFCs which has rating not less than "AA":

Existing ROI (for "AA" Rated company)	Existing ROI (for "AAA" Rated company)	Revised ROI (for "AA" Rated company)	Revised ROI (for "AAA" Rated company)	Repayment period (Years)
10.00%	9.75%	8.75%	8.50%	Upto 5
10.25%	10.00%	9.00%	8.75%	6 to 10
10.50%	10.25%	9.25%	9.00%	11 to 15

Note: HUDCO shall not extend Bulk loan to any HFI, which has rating less than "AA"

Processing and Administrative Fee (Effective 18.11.03)

for Resident Indian Loans:

	Existing Terms	**Revised terms***
Individual Loan for Resident Indians sanctioned	0.6% (0.2% Processing Fee (PF) and 0.4% Administrative fee (AF)	There shall be no Processing fee for resident Indian Loans. Administrative fee shall be 0.50% of the loan amount for Resident Indians.

	Existing Terms	Revised terms*
Individual Loan for resident Indians	0.4% (0.2% PF & 0.2% AF) for Personnel from armed forces including para-military forces and police, widows, physically handi-capped, artists, journal-lists, women and employees of Central/State Govt./ PSUs.	Administrative fee shall be 0.3% of the loan amount sanctioned for personnel from armed forces including paramilitary forces and police, widows, physically handicapped artists, journslists, women and employees of central/State Govt./ PSUs.

*Administrative fee for individual loans to Resident Indian under empowering mechanism would be 0.30% for certain categories. The group of allottees/employees entitled for benefit under empowering mechanism for administrative fee would stand reduced from present level of 2C individuals to 10 individuals.

Processing & Administrative fee for NRI's, Bulk Loan to State Govts./ Para-Statals for the State Govts./Profit making PSUs and Bulk Loan to other HFCs will remain same *i.e.* 1.25%, 0.25% and 0.40% respectively.

All other terms and conditions of lending will remain same except as indicated above. These revised interest rates will be applicable in respect of loans sanctioned on or after 18.11.2003 including loans sanctioned in the past but where the agreements have not been executed upto 17.11.2003. You are requested to make necessary additions/amendments in Annexure B-I-A. (page 359), annexure G-II, G-II-A (page 167 & 173), item 1.1 (b) (page 11), item 1.6 (page 14 & 15), item 1.10 (page 18), item 1.16 (page 23), item 1.17 (page 25), item 10.5 &10.6 (page 154,15 & 156), annexure-V (page 411) of the Handbook on Procedural Guidelines and Operational Manual of HUDCO NIWAS and other required changes. In respect of loans of floating interest rates, the rates quoted above are applicable 18.11.2003 till 31st March, 2004 on loans sanctioned on or after 18.11.2003 including loans sanctioned

in the past but where the agreements have not been executed upto 17.11.2003.

These rates are not applicable for loans already disbursed and where agreements have been executed before 18.11.2003.

Costing of Mega Housing Project

2139. SHRI AMAR SINGH:
SHRI ABU ASIM AZMI:

Will the Minister of URBAN DEVELOPMENT AND POVERTY ALLEVIATION be pleased to state:

(a) whether it is a fact that the Vigilance Department of DDA has found the figure of costing of Rs. 100 crore Mega Housing Project submitted by a team of Senior Officers of DDA on a very high side in comparison with the actual cost of construction prevalent at that time;

(b) if so, the details thereof;

(c) whether the Vigilance Department had sought explanations from those Senior Officers in this regard;

(d) if so, the response of each officer in this regard; and

(e) the action taken in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF URBAN DEVELOPMENT AND POVERTY ALLEVIATION (SHRI BANDARU DATTATRAYA): (a) to (e) Based on the allegations of irregularities, which *inter-alia* included the high cost of construction, the Vigilance Department of DDA took up inquiry into the allegations in respect of the two turn key projects at Bakkarwala and Narela and after completing preliminary investigations has sought the version of the concerned officials. The response of the officials is yet to be received. Further action against